**INDEX TO WORKPAPERS**

|  |  |  |
| --- | --- | --- |
| **LEADSHEET** | **Reference** | **Completed** |
| **GENERAL DETAILS** |  |  |
| Client Information / Current Compliance | A1 | Yes |
| Controls & Fraud Questionnaire | A2 | Yes |
| Planning Memo | A3 | Yes |
| Financial Statements (Audited) | A4 | Yes |
| Trial Balance | A5 | Yes |
| Tax Return / Tax Reconciliation | A6 | Yes |
| Tax Checklist | A7 | Yes |
| Financial Audit Program – Compliance Audit Program | A8 | Yes |
| Trustee Rep Letter | A9 | Yes |
| Management Letter | A10 | Yes |
| Client Queries | A11 | Yes |
| Client Journals | A12 | Yes |
| Investment Strategy | A13 | Yes |
| Trust Deed | A14 | Yes |
| Super Fund Compliance Status | A15 | Yes |
| Minutes | A16 | Yes |
| Auditor Engagement Letter | A17 | Yes |
| Engagement Letter | A18 | Yes |
| Review Notes | A19 | Yes |
| Actuarial Certificate | A20 | N/A |
| **ASSETS** |  |  |
| Bank & Cash Balances | B | Yes |
| Receivables | C | N/A |
| Investments | D | N/A |
| Property & Other Assets | E | Yes |
| **LIABILITIES** |  |  |
| Accounts Payable | F | N/A |
| Borrowings | G | N/A |
| Tax Provision | H | Yes |
| Other current liabilities | I | N/A |
| **MEMBERS FUNDS** |  |  |
| Member Records | J | Yes |
| Contributions – ETP’s In | K | Yes |
| Benefits Paid – ETP’s Out | L | N/A |
| **INCOME & EXPENSES** |  |  |
| Income | M | Yes |
| Expenses | N | Yes |
| **OTHER MATTERS** | O | N/A |

The financial statements, income tax returns, income tax reconciliations and all associated working papers are in accordance with QMS requirements.

Partner Review: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax Consulting Review:\_\_\_\_\_\_\_\_\_\_\_\_\_

Tick

|  |  |
| --- | --- |
| **A1** | Copy of Contravention Report (if any) |
|  |  |
| **A4** | Signed Financial Statements for Period  (i.e Operating Statement, Statement of Financial Position and Notes to the Accounts),  (Signed Prior Year Statements and Audit Report required when audit is conducted by Auditor for 1st time) |
|  |  |
| **A6** | Copy of Taxation Returns for Period  (or Details of Tax Calculations used in Financial Statements) |
|  |  |
| **A9** | Copy of Trustee Representation Letter |
|  |  |
| **A13** | Copy of Fund’s Current Investment Strategy |
|  |  |
| **A14** | Copy of Trust Deed (required when audit conducted by Auditor for 1st time) or Trust Deed Amendment Documents for Period - Copy of Cover of Trust Deed otherwise |
|  |  |
| **A15** | Copy of Compliance Printout from ABR |
|  |  |
| **A16** | Copy of Minutes of Fund Trustee Meetings Held During the Period |
|  |  |
| **A17** | Copy of Audit Engagement Letter – Signed by Trustee(s) |
|  |  |
| **A20** | Copy of Actuarial Certificate (if required) |
|  |  |
|  | All Bank Statements for Period  (A bank confirmation should normally be obtained) |
|  |  |
| **D/E** | Documents to support existence and value of Assets at end of period.  (e.g. Share Registry Listings, Managed Fund Reports, Wrap Account Reports Non Listed Unit Trust Accounts, Property and Asset Valuations). For Wrap Accounts a copy of Controls Audit Report to meet requirements of GS007 Audit Implications of the Use of Service Organisations for Investment Management Services is also required.  Documents to support Asset Purchases and Sales for Period  (e.g. Broker Reports, Contract Notes, Invoices, Purchase/Sale Contracts) |
|  |  |
| **J** | Copy of Member Statements for Period  Current list of Trustees or list of Directors for Trustee Companies  Copy of New Trustee Declaration for new trustees from 1 July 2008  Copy of Fund Member Application Forms (required when audit conducted by Auditor for 1st time or if New Members join during the Period  Copy of Consent to Act as Trustees Documents (required when audit conducted by Auditor for 1st time or if New Trustees are appointed during the Period) |
|  |  |
| **K** | Documents to support Contributions (Employer and / or Member) Received for Period  (e.g Employer Remittance Advices, Fund Trustee Minutes, Sect 290-170 Notice)  Documents to support Rollovers for Transfers In for Period (e.g. ETP or ROPNs) |
|  |  |
| **L** | Documents to support Benefit Payments or Exit Statements for Period (e.g. ETP or ROPNs)  Documents to support Pension Payments for Period  (e.g. Payment Requests, ATO Payment Summaries, Actuarial Certificates as applicable) |
|  |  |
| **M/N** | Documents to support Income and Expenditure for Period  (e.g. Dividend / Distribution Statements, Rental / Lease Agreements, Invoices) |
|  |  |
|  | Copy of Accounting Work Papers and Transaction Reports for the Period  (e.g. General Ledger, Journals, Cashbook, Bank Reconciliation, Debtor and Creditor Reports) |

**CLIENT INFORMATION**

|  |  |  |
| --- | --- | --- |
| Name of Superannuation Fund | SPITERI SUPER FUND | |
| WIP Code |  | |
| Trustee(s)/ Directors | SPITERI 500 SUPER PTY LTD  1. CHARLES SPITERI  2.  3.  4. | |
| Contact Name |  | |
| Phone No / Fax No |  | |
| Fund Address |  | |
|  |  | |
| Type of Fund (Acc. Cont. / Defined Benefit / Pension) | ACCUMULATION | |
| Employer Sponsor |  | |
| Number of Members | 1 | |
| Investment Types | REAL ESTATE PROPERTY & TERM DEPOSIT | |
|  |  | |
| Fund Source |  | |
| **Is the fund an SMSF** | YES | |
| Does the fund meet the definition of an SMSF? | Yes / No | |
| YES | | |
|  | | |
|  | |  |
| **Knowledge and Skill** | |  |
| Does the fund have any assets which may indicate complex issues exist? | | Yes / No |
| Provide a brief description: | |  |
| *NO* | |  |
|  | |  |
|  | |  |
| **Risk Assessment** | |  |
| Has the fund changed auditor? Are there any concerns about the willingness of the trustee to comply with SIS | | Yes / No |
| Provided a brief description: | |  |
| *NO* | |  |
|  | |  |
|  | |  |
| Is the firm willing to accept or continue the engagement? | | Yes |
|  | |  |
| **Independence** | |  |
| Perform a review of audit independence? | |  |
| *Example of auditor independence documentation*  There is no financial relationship between the fund trustees and the auditor. Therefore there is no self interest threat. The audit is conducted independent of accounts preparation and the auditor does not advocate any compliance, pension or tax strategies. Therefore there is no self review or advocacy threat. There are no financial or business relationships between the auditor and the trustees. Therefore there is no familiaritythreat. There is no evidence of actual or perceived threats from trustees. Therefore there is no intimidation threat. | | |
|  | |  |
|  | |  |
|  | |  |
|  | |  |
|  | |  |
| *Conclusion* | |  |
| There are no threats to independence. There is no apparent reason to decline the audit. | | |
|  | |  |
| **Engagement Letters** | |  |
| Prepare an audit engagement letter | |  |
|  | |  |
| **Compliation Report** | |  |
| Financial Reports have been prepared for the Auditor only, hence no compliation report has been included. | | |
|  | |  |
|  | |  |

**CONTROLS & FRAUD QUESTIONNAIRE**

**IMPORTANT –** This document contains some common questions that auditors may find helpful in conducting the audit of Self-Managed Superannuation Funds. It is not intended to be an exhaustive list of all the questions and areas that an auditor may consider in performing a fraud and controls assessment in accordance with the requirements of the auditing standards. The questions must be tailored to the individual circumstances of each client.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** |  | | **Done** | **Ref** |
| 1. | **Which of the following controls does the trustee have in place?** | |  |  |
|  | * Bank reconciliation Frequency\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * Two signatories for all transactions * Internet transaction protections i.e. security tokens * Use of one share trading account | Yes / No  Yes / No  Yes / No  Yes / No | **No**  **Yes**  **Yes**  **No** |  |
| 2. | **Do you use online share trading e.g. via Comsec or similar provider?**  If yes, document how do all trustees confirm or validate transactions? E.g. minutes | Yes / No | **Yes** |  |
| 3. | **Where there is more than one trustee how do you ensure transactions are occurring for the benefit of all members?**  Document how all trustees are involved in investment decision making? E.g. discussions and minutes |  | **Yes** |  |
| 4. | **Does any person other than a trustee of the fund have permission to enter into transactions on behalf of the fund i.e. sign cheques, move investments?**  If yes, what method of confirming or validating transactions is used? | Yes / No | **No** |  |
| 5. | **Does the fund use a portfolio service to manage investment reporting?**  If yes, is an audit report on the provider’s internal controls available?  If no, the auditor will require additional information to confirm the fund’s assets ownership and existence. | Yes /No  Yes /No | **No**  **N/A** |  |

**PLANNING MEMORANDUM**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reporting Deadlines** |  |  |  |  |
| Tax & Regulatory return: |  |  |  |  |

**Audit Objective**

The objective of the audit:

* to enable the auditor to express an opinion as to whether the financial report is prepared, in all material respects, in accordance with an applicable reporting framework; and
* to enable the auditor to express an opinion as to whether the entity has complied in all material respects, with the specified legislative requirements.

**Pre Audit Analytical Review**

*From a review of the financial statements are there any balances which are significant in size or have changed significantly from the prior period which require further explanation or investigation?*

*We have performed our review of Financial Statements. There are no balances with significant movement since last year in Financial Statement.*

**Review of Fund Documentation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** |  | **Done** | **Ref** |
| 1. | Is the fund a complying fund?  Print and file evidence from ABN register? | **Yes**  **Yes** |  |
| 2. | Is there an Application for membership for each member?  From 1 July 2007 this should include a Trustee Declaration (ATO Form NAT 71089) | **Yes** |  |
| 3. | Is there a consent to act as trustee for each member? | **Yes** |  |
| 4. | Obtain and review any trustee minutes? | **Yes** |  |
| 5. | Obtain and review any correspondence from the regulator? | **Yes** |  |
| 6. | Obtain the trust deed and any amendments.  Perform a review of the trust deed  Document the fund commencement date?  When was the deed last amended?  Has the deed been executed properly?  Does the fund trust deed require the fund to be operated for the sole purpose of providing retirement benefits and other allowable ancillary purposes? (If no the deed may require an amendment, seek legal advice)  Does the fund trust deed allow the trustee to accept all contributions allowed by SIS? (If no note this restriction on the work program)  Does the fund trust deed allow the trustee to pay all benefits allowed by SIS? (If no note this restriction on the work program)  Does the fund trust deed place any limitations on the fund’s investments? (If yes, note this restriction on the work program) | **Yes** |  |
| 7. | Obtain and review the fund’s investment strategy | **Yes** |  |
| 8. | Clearly document any issues arising from the above which will affect the audit | **Yes** |  |

|  |
| --- |
| **Controls**  Complete the ‘Controls and Fraud’ Questionnaire in discussion with the client / advisor.  Document any controls existing in the fund.  The fund is administered by the Trustee(s) appointed Accountant. The Accountant reconciles all bank transactions and movements in asset holdings. This control is in place to attempt to ensure that all cash and asset movements are identified and that all income and expenditure are recorded.  *Conclusion*  The audit is in relation to a self managed fund and a substantive audit is undertaken. No reliance is placed on controls.  Detailed procedures may be found in working papers - |
|  |
| **Risk of fraud and error**  The risk of fraud is reduced by trustees ensuring they are the signatories for all transactions. A review of material transactions does not indicate the presence of fraudulent transactions.  *Conclusion*  The risks of fraud and error are low. |
|  |
| ***IT Considerations***  A review of IT systems (documented on Working paper xxx) has led to the conclusion that  No reliance is to be placed on IT Systems  or Controls appear to be in place and operating in the following IT areas. It is considered that an effective and efficient audit may be conducted by adopting a controls reliance strategy in the following areas:  *Conclusion*  There is no impact on risks.  or Risks have been identified, to which the audit response is: |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risks associated with Trustees and Investments** | | | | | |
|  |  | | Yes | No | Comments |
| **Trustee/s:** |  | |  | No |  |
| Related |  | |  | No |  |
| Arm’s length |  | |  | No |  |
| **Investment Profile:** | | |  | No |  |
| Listed shares | | |  | No |  |
| PSTs | | |  | No |  |
| CMTs | | |  | No |  |
| Listed property trusts | | |  | No |  |
| Other listed trusts | | |  | No |  |
| Unlisted shares | | |  | No |  |
| Unlisted managed trusts | | |  | No |  |
| — geared? | | |  | No |  |
| Family or related trusts | | |  | No |  |
| — geared? | | |  | No |  |
| Other: | | |  | No |  |
| Documentation: | | Appears well supported |  | No |  |

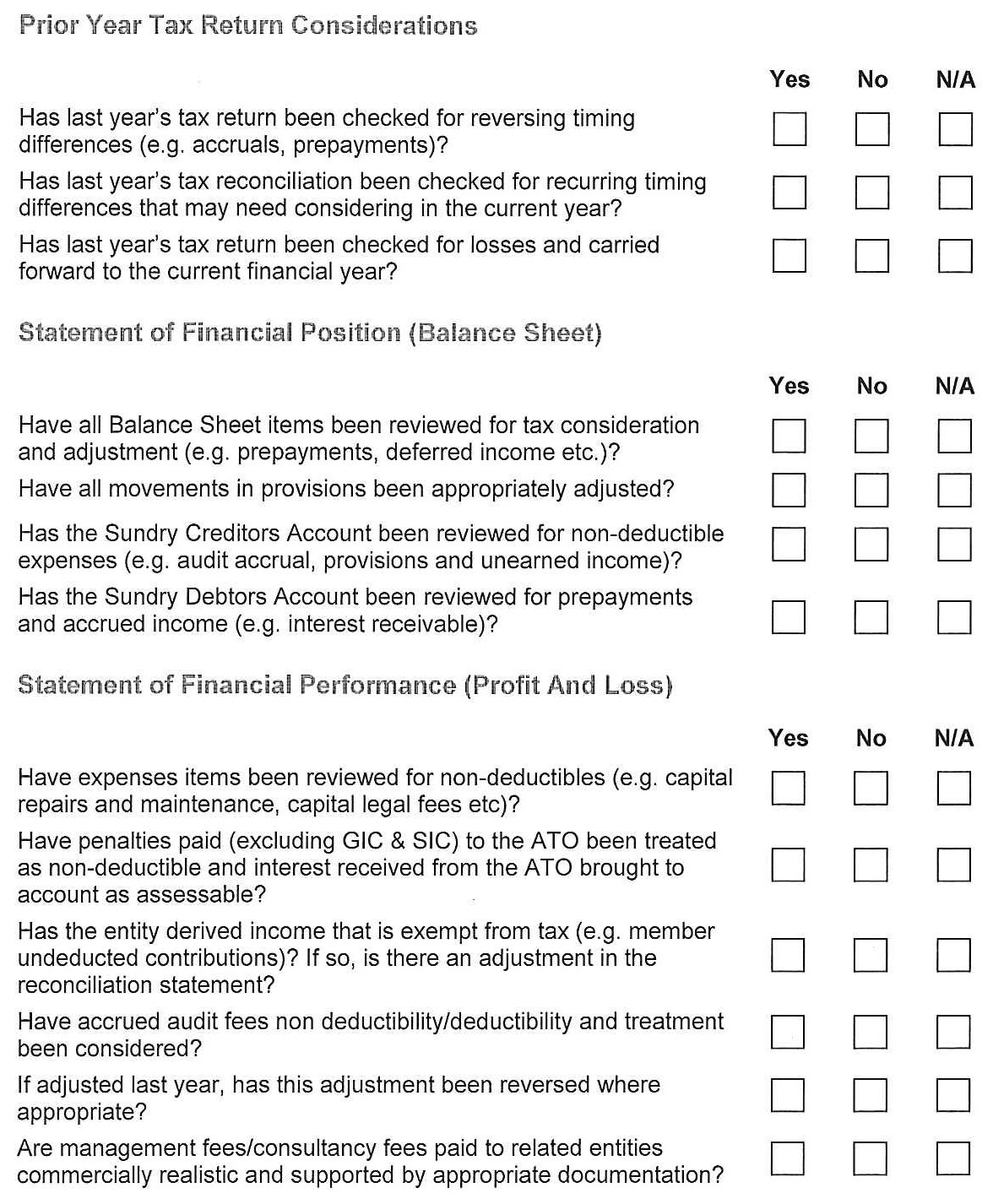
|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk Assessment:** | | | | | |  |  | |  | | |
|  | | Very high | | | |  | No materiality | | | | Extended testing |
|  | | High | | | |  | No materiality | | | | Intermediate level of testing |
|  | | Medium | | | | X | Materiality | | | | Medium testing |
|  | | Low | | | |  | Materiality | | | | Low level testing |
|  | | Very low | | | |  | Materiality | | | | Basic testing |
|  | |  | | | |  |  | | | |  |
| **Risk** |  | |  |  |  | | **Justification of Assessment** | | | | |
| Very High |  | |  |  |  | |  | Financial Statements have been adequately supported with work papers and we have been provided with all audit evidence required. | |  | |
| High |  | |  |  |  | |  |  | |  | |
| Medium |  | | X |  |  | |  |  | |  | |
| Low |  | |  |  |  | |  |  | |  | |
| Very Low |  | |  |  |  | |  |  | |  | |
| Basic | Low | | Medium | Intermediate | Extended | |  |  | |  | |
|  |  | | Testing % |  |  | |  |  | |  | |

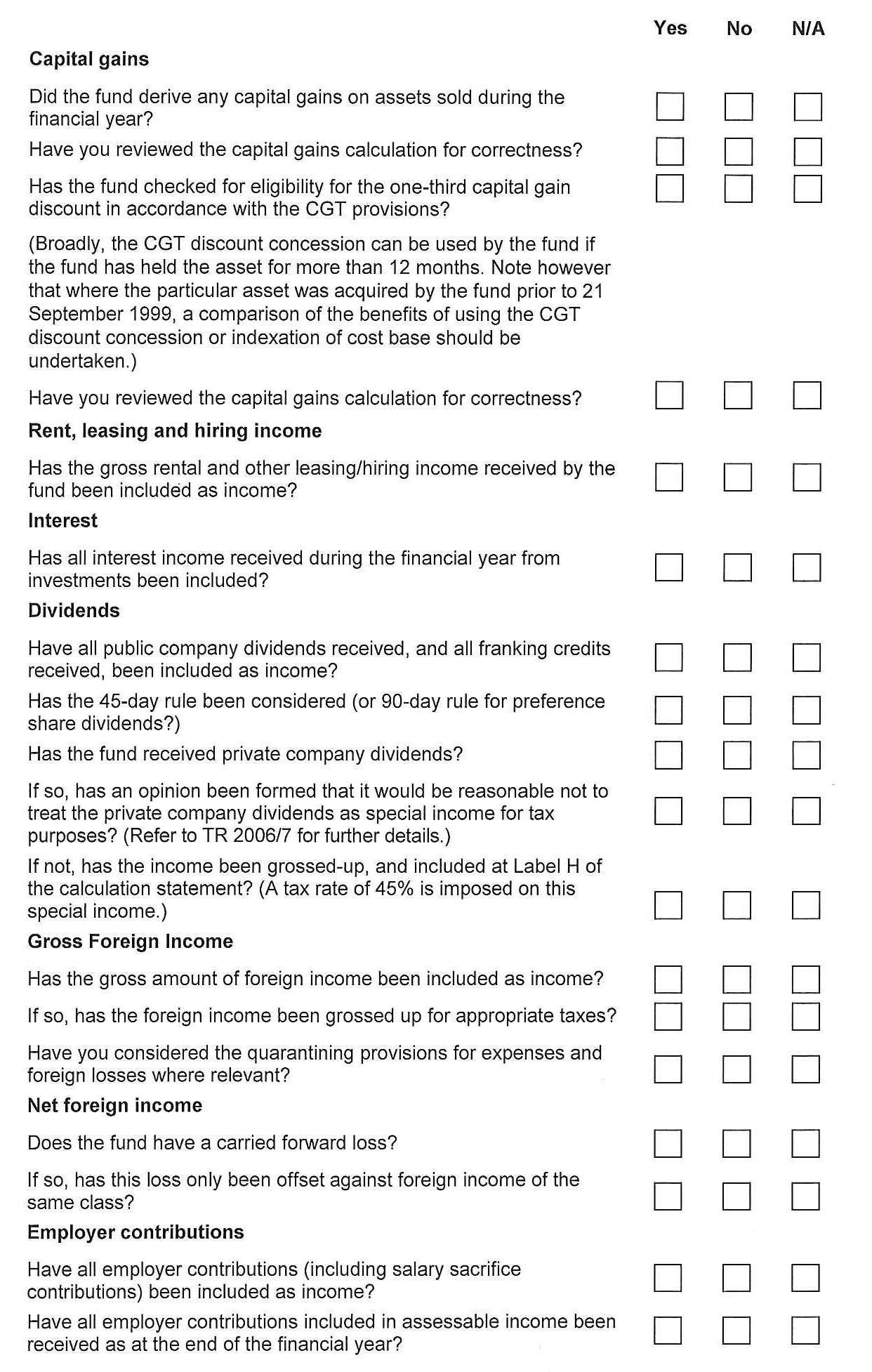
**Materiality**

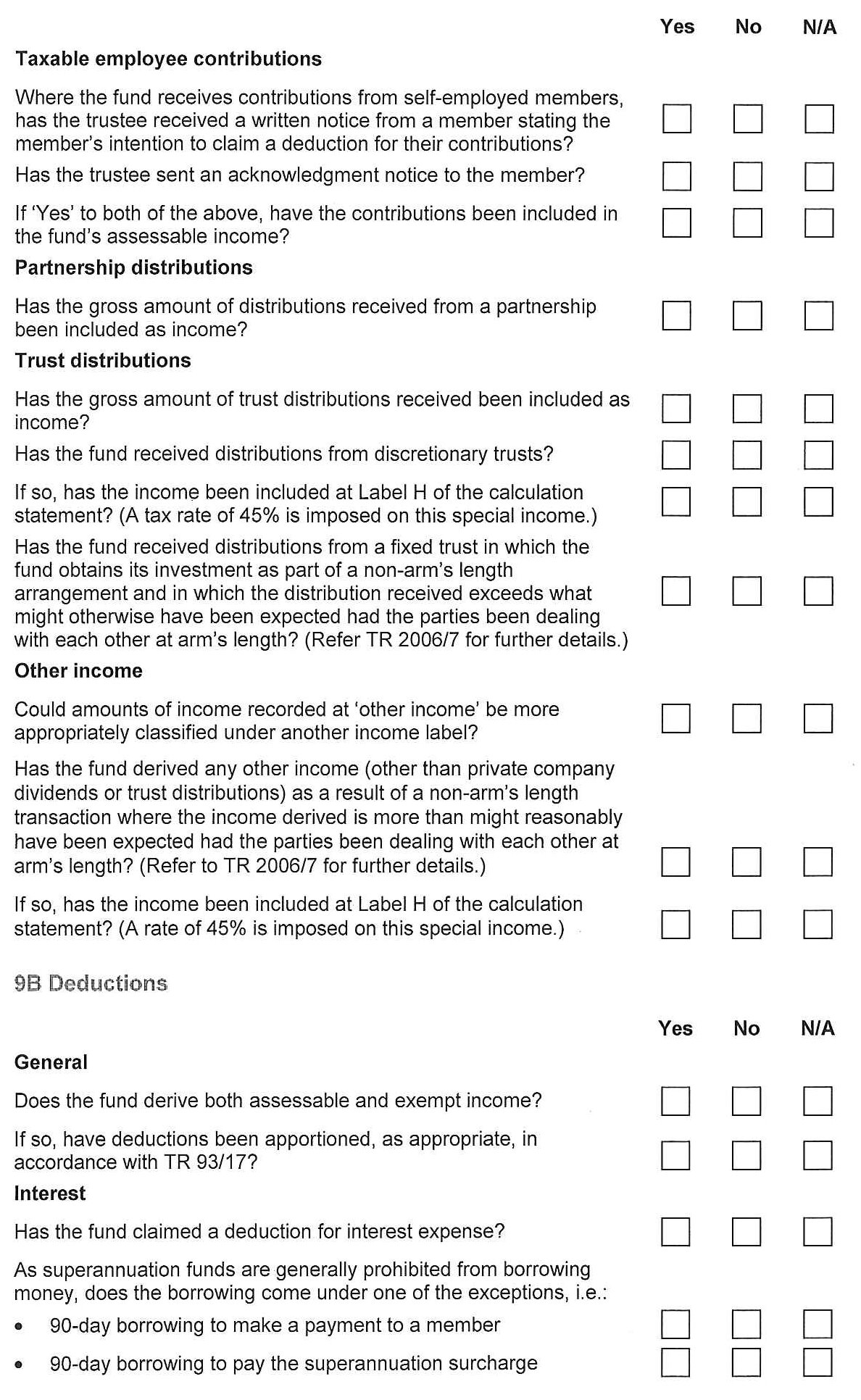
Balance Sheet Materiality is normally determined based on a figure of between 5% and 10% of assets. A material individual asset holding exceeds 10% of the asset class.

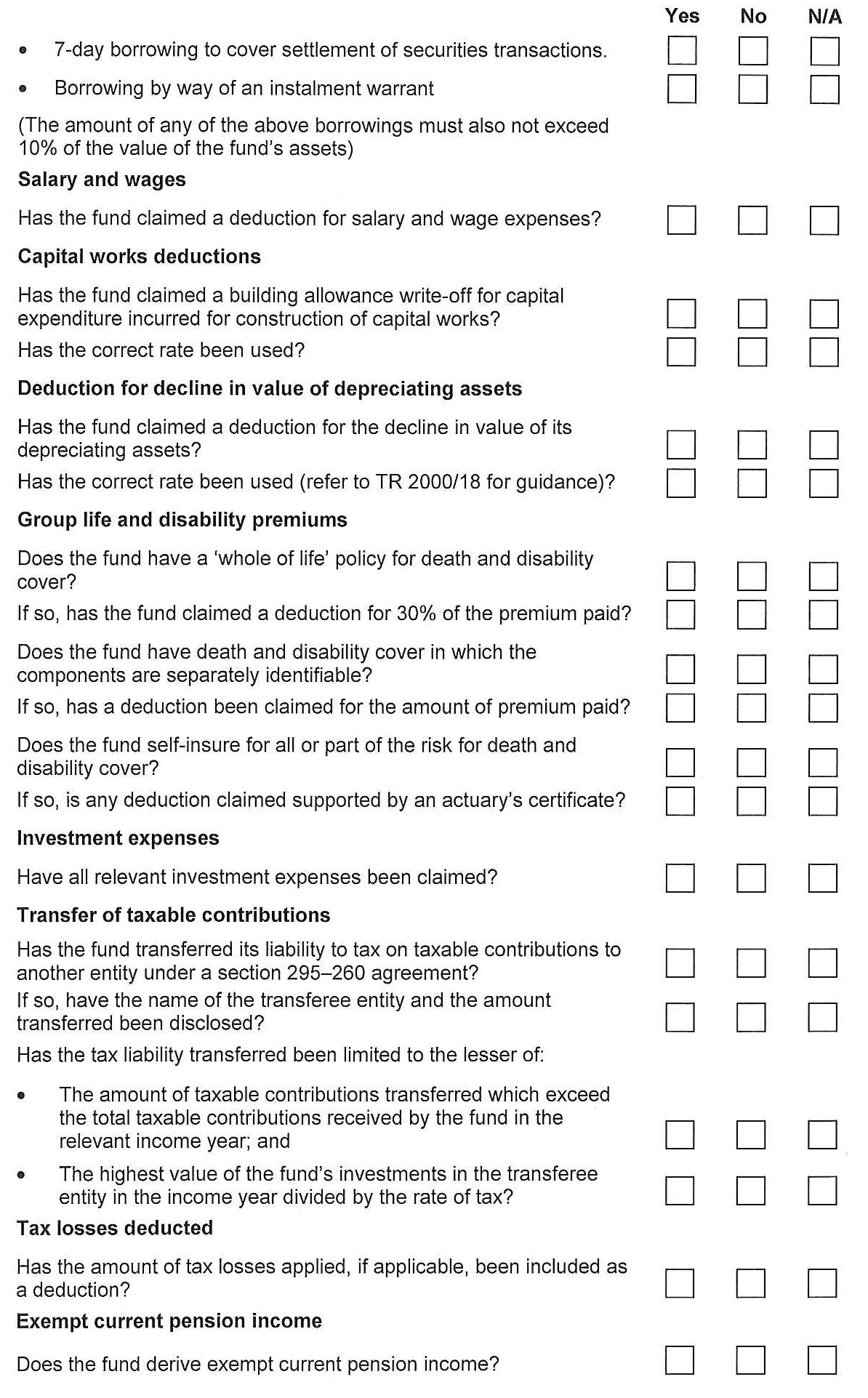
Profit and Loss Materiality is determined based on no more than 10% of investment income. A material balance exceeds 10% of the balance.

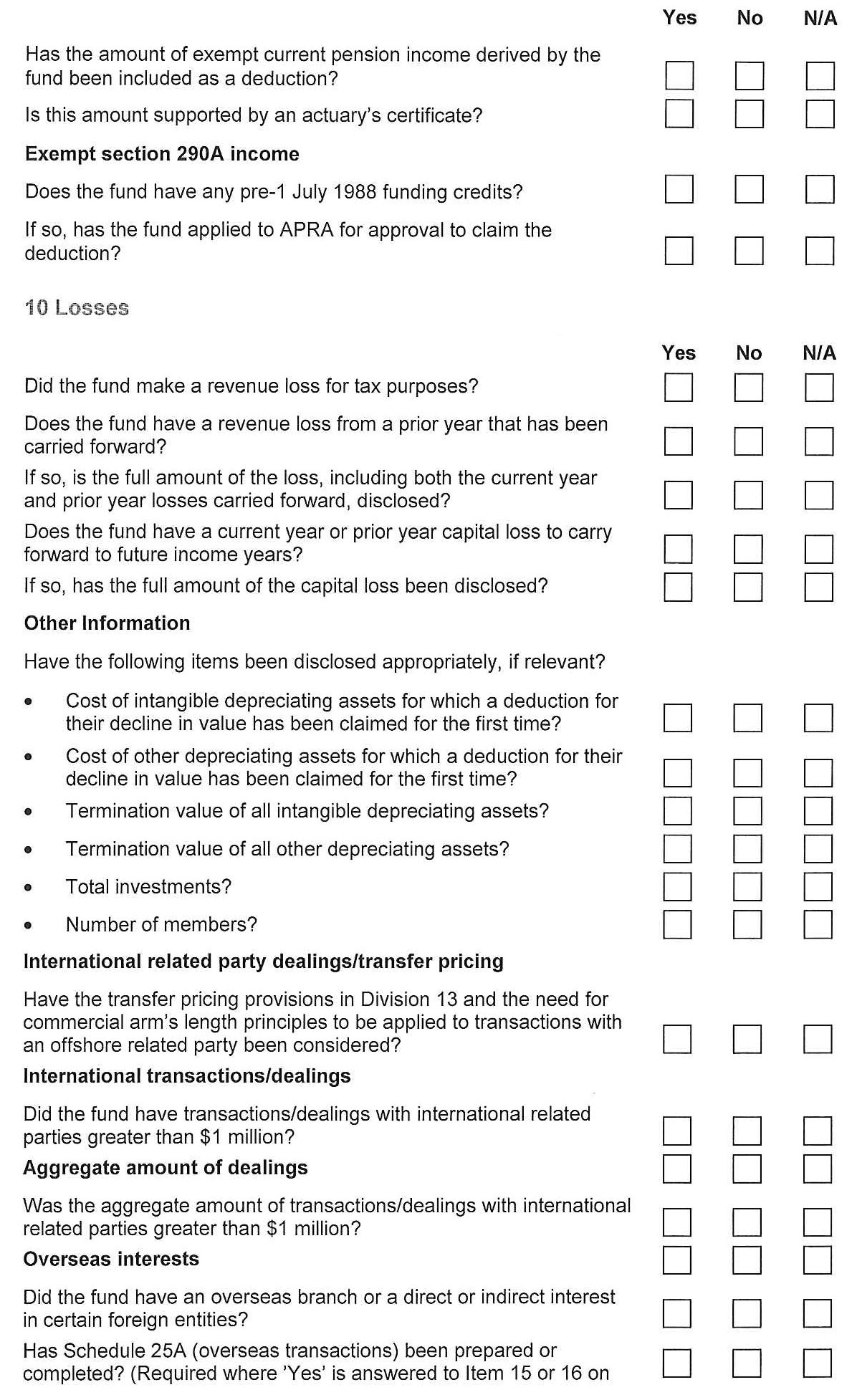
**Annual Return Checklist**







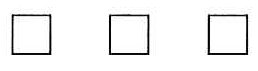
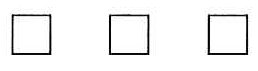
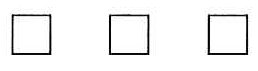


Page 6 return

Page 6 yes-no

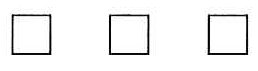


**Pensions**

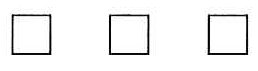


Has the members mode been correctly recorded

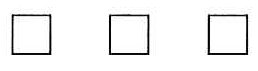
Are all pensions within limits

Have Payment Summaries been prepared and lodged

Have all PAYG-W payments been included?

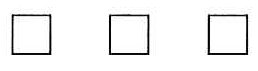
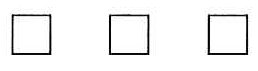
Has the proportioning rule for payments been met?

Page 6 yes-no

**Other**

Are all contributions within limits (including those shown

on ETP’s



Have segregation rules been met?

Have all investments been checked for market value

**FINANCIAL AUDIT PROGRAM**

**IMPORTANT –** This document contains a draft work program that auditors may find helpful in conducting the audit of Self-Managed Superannuation Funds. It is not intended to be an exhaustive list of all the questions and areas that an auditor may consider when performing the audit of a Self Managed Superannuation Fund in accordance with the requirements of the auditing standards. The program must be tailored to the individual circumstances of each client.

Particular consideration should be given to the assertions being tested when undertaking the audit of each component of the financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** |  |  | **Done** | **Ref** |
|  | **Accounts** | | Yes |  |
|  | |  | | --- | | *Assertions* | | *Presentation and Disclosure* | | Occurrence, rights and obligations – risk that disclosed events and transactions have not occurred and do not relate to the entity | | Completeness - Risk that all required disclosures are not included in the financial report | | Classification and understandability – risk information is not appropriately presented and disclosures are inaccurate or unclear | | Accuracy and valuation – risk that financial information is not disclosed at the appropriate amounts | |  | | |  |  |
| 1. | Ensure Accounts have been signed off | | Yes |  |
| 2. | Agree prior year numbers to audited accounts | | Yes |  |
| 3. | Check Account Additions | | Yes |  |
| 4. | Ensure special purpose accounts are used | | N/A |  |
| 5. | Reference note disclosures and review for relevance | | Yes |  |
| 6. | Check Vested Benefits are equal to or less than net assets (Going Concern) | | Yes |  |
| 7. | Check Allocation of earnings and expenses to members | | Yes |  |
| 8. | Ensure the assets of the fund have not had a significant downturn in value subsequent to year end. | | Yes |  |
| 9. | Report unadjusted misstatements in clearance letter | | N/A |  |
|  | **Cash**   |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded cash transactions have not occurred | | | | | Completeness – risk that all cash transactions have not been recorded | | | | | Accuracy – risk that cash transactions have not been recorded accurately | | | | | | Yes |  |
|  | |  | | --- | | Cut off- risk that cash transactions have not been recorded in the correct period | | *Account balance* | | Existence - risk that cash does not exist at year end | | Rights and obligations - risk that cash is not owned by the fund | | Valuation - risk that cash is not recorded at an appropriate value | | Disclosure - risk that cash is not appropriately disclosed | | |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | *Work Program* | |  | |  | |
| 1. | Ensure administrator has all bank statements on file. | | Yes | |  | |
| 2. | Take a copy and review reconciliation prepared by administrator. | | N/A | |  | |
| 3. | Review the ageing of unpresented cheques and investigate any ‘old’ entries. | | N/A | |  | |
| 4. | Vouch ownership of the bank accounts from the bank statement to the fund. | | Yes | |  | |
| 5. | For material balances Obtain direct confirmation of bank balance from financial institution and check balance.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | *Analytical Review* |  |  |  |  |  | | *Conclusion* |  |  |  |  |  | | No Material Variances | | | | | | | | Yes | |  | |
|  | **Contributions and Accounts Receivable** | | N/A | |  | |
|  | |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded transactions have not occurred | | | | | Completeness – risk that all transactions have not been recorded | | | | | Accuracy – risk that transactions have not been recorded accurately | | | | | Cut off- risk that transactions have not been recorded in the correct period | | | | | *Account balance* | | | | | Existence - risk that asset does not exist at year end | | | | | Rights and obligations - risk that receivable is not an assets of the fund | | | | | Valuation - risk that asset is not recorded at an appropriate value | | | | | Disclosure - risk that asset is not appropriately disclosed | | | | | |  | |  | |
|  | *Work program* | |
| 1. | Agree receivable to supporting documentation, for nature and ensure taken up correctly. | | N/A | |  | |
| 2. | Agree receivable to subsequent receipt. | | N/A | |  | |
| 3. | Ascertain date when cheque was drawn to pay contributions. | | N/A | |  | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | | *Analytical Review* |  | |  |  | | *Conclusion* |  | |  |  | | Receivables are agreed to supporting documents. | |  | | | | No Material Variances | | | N/A | |  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | **Investments** | | Yes | |  | |
|  | |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded investment transactions have not occurred | | | | | Completeness – risk that all investment transactions have not been recorded | | | | | Accuracy – risk that investment transactions have not been recorded accurately | | | | | Cut off- risk that investment transactions have not been recorded in the correct period | | | | | *Account balance* | | | | | Existence - risk that investments do not exist at year end | | | | | Rights and obligations - risk that investments are not owned by the fund | | | | | Valuation - risk that investments are not recorded at an appropriate value | | | | | Disclosure - risk that investments are not appropriately disclosed | | | | | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | Vouch ownership of the investments from the statement to the fund. | | N/A | |  | |
| 2. | Obtain direct confirmation of investment balance for a sample of investments. | | N/A | |  | |
| 3. | Ensure investments valued at net market value/redemption value. | | N/A | |  | |
| 4. | Ascertain the nature of the investment (PST or insurance policy/taxable or exempt) | | N/A | |  | |
| 5. | Identify any investments in private unit trusts/companies; | |  | |  | |
|  | (a) | confirm fund’s unit holding/share holdings; | N/A | |  | |
|  | (b) | reconcile to unit trust register/unit trust certificate/share register; | N/A | |  | |
|  | (c) | sight copy of unit trust/company accounts; | N/A | |  | |
|  | (d) | review investments in unit trust/company to confirm the underlying value of units/shares; | N/A | |  | |
|  | (e) | agree unit trust distribution/dividend and | N/A | |  | |
|  | (f) | any acquisitions from members? | N/A | |  | |
| 6. | If property assets do the following: | |  | |  | |
|  | (a) | Is the valuation acceptable? | Yes | |  | |
|  | (b) | Sight title. | Yes | |  | |
|  | (c) | Declaration of trust. | Yes | |  | |
|  | (d) | Market rental. | N/A | |  | |
|  |  | |  |  | | --- | --- | | *Analytical Review* |  | | *Conclusion* |  | | ***Investment of the super fund has been verified to supporting***  ***Documents towards market value and no of units.*** | | | Yes | |  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | **Investment Income/Interest Income** | | Yes | |  | |
|  | |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Completeness – risk that all income has not been recorded | | | | | Accuracy – risk that income has not been recorded accurately | | | | | Cut off- risk that income has not been recorded in the correct period | | | | | *Account balance* | | | | | Rights and obligations - risk that income is not related to fund assets | | | | | Disclosure - risk that income is not appropriately disclosed | | | | | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | Review bank/investment statements to ensure all income recognised. | | Yes | |  | |
| 2. | Ascertain whether income received is reasonable compared with declared rates of return. | | Yes | |  | |
| 3. | Ascertain the nature of the income (i.e. taxable or exempt). | | Yes | |  | |
| 4. | Review statements to ensure no TFN tax withheld, and if so, ensure treated correctly. | | N/A | |  | |
| 5. | Review other income for reasonableness. | | Yes | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***Investment and Interest Incomes have been correctly recognised and recorded.***  ***It has also been verified to respective source documents.*** | | | | Yes | |  | |
|  | **Movement in Net Market Value** | | Yes | |  | |
|  | *Assertions* | |  | |  | |
|  | Valuation - risk that movement in market value is not accurately recorded | |  | |  | |
|  | Disclosure - risk that movement in market value is not appropriately disclosed | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | Review calculation of the movement in net market value to ensure performed correctly. | | Yes | |  | |
| 2. | Check capital gains calculation (and tax effect). | | Yes | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***Investments held by the super fund Are carried at market value.*** | | | | Yes | |  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | **Liabilities/Accounts Payable/Accruals** | | Yes | |  | |
|  | |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded transactions have not occurred | | | | | Completeness – risk that all transactions have not been recorded | | | | | Accuracy – risk that transactions have not been recorded accurately | | | | | Cut off- risk that transactions have not been recorded in the correct period | | | | | *Account balance* | | | | | Existence - risk that liability does not exist at year end | | | | | Rights and obligations - risk that the liability is not an liability of the fund | | | | | Valuation - risk that the liability is not recorded at an appropriate value | | | | | Disclosure - risk that the liability is not appropriately disclosed | | | | | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | List all liabilities. | | Yes | |  | |
| 2. | Obtain back-up support for each liability account, and whether the nature of accrual appears reasonable. | | Yes | |  | |
| 3. | Vouch payment of liability/accrual subsequent to year end. | | N/A | |  | |
| 4. | Review surcharge tax status, ensure tax accrued or paid or appropriate note to accounts taken up. | | N/A | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***At end of the year, super fund has liability on account of ATO***  ***and Member’s balances.*** | | | | Yes | |  | |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | **Contributions and Transfers in** | | Yes | |  | |
|  | |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded transactions have not occurred | | | | | Completeness – risk that all transactions have not been recorded | | | | | Accuracy – risk that transactions have not been recorded accurately | | | | | Cut off- risk that transactions have not been recorded in the correct period | | | | | Classification – risk that contributions have not been correctly allocated to the correct sub account and members account. | | | | | *Account balance* | | | | | Rights and obligations - risk that the contribution is not able to be accepted by the fund | | | | | Valuation - risk that in-specie contributions have been understated | | | | | Disclosure - risk that the contributions are not appropriately disclosed | | | | | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | Obtain listing of contributions received and dissect by member and employer, noting the dates of receipt. | | Yes | |  | |
| 2. | Confirm the contributions received with the sponsoring employer (i.e. standard confirmation letter). | | N/A | |  | |
| 3. | Confirm the contributions received are not in excess of the contributions caps (SIS requires a fund to reject contributions in excess of caps) | | Yes | |  | |
| 4. | Obtain listing of all transfers in and vouch to rollover advice or other supporting documentation ensuring that the transfer in is from a previously taxed source. | | N/A | |  | |
| 5. | Review nature of contributions for taxation purposes. | | Yes | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***Contributions received during the year are within the threshold limits laid***  ***Under SIS legislation and have been allocated correctly.*** | | | | Yes | |  | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | **Ref** |
|  | **Benefits**   |  |  |  |  | | --- | --- | --- | --- | | *Assertions* |  |  |  | | *Account Transactions* | | | | | Occurrence – risk that recorded transactions have not occurred | | | | | Completeness – risk that all transactions have not been recorded | | | | | Accuracy – risk that transactions have not been recorded accurately | | | | | | | N/A |  |
|  | |  | | --- | | Cut off- risk that transactions have not been recorded in the correct period | | Classification – risk that benefits have not been correctly allocated to the correct members account. | | *Account balance* | | Rights and obligations - risk that the benefit is not able to be paid by the fund | | Valuation - risk that the benefit has not be correctly calculated | | Disclosure - risk that the benefit is not appropriately disclosed | | | |  |  |
|  | *Work program* | | |  |  |
| 1. | Obtain a listing of all benefits — dissected by benefit type. | | | N/A |  |
| 2. | Confirm the benefit received by the beneficiary (i.e. standard confirmation letter). | | | N/A |  |
| 3. | Select a sample of benefits (from each type of benefit made) and perform the following tests: | | | N/A |  |
|  | (a) | vouch request for benefit payment signed by member (trustee); | | N/A |  |
|  | (b) | ensure benefit calculated in accordance with trust deed; | | N/A |  |
|  | (c) | trace payment of benefit to the bank statement; | | N/A |  |
|  | (d) | check tax deducted and paid by fund; | | N/A |  |
|  | (e) | ensure preserved component calculated correctly; | | N/A |  |
|  | (f) | ensure members’ contributions 100% vested; | | N/A |  |
|  | (g) | ensure company contributions vest in accordance with regulations and trust deed; | | N/A |  |
|  | (h) | ensure termination statement is in accordance with regulations; and | | N/A |  |
|  | (i) | ensure RBL reporting to the Tax Office is done within the required timeframe. | | N/A |  |
| 4. | For any death or disability benefit, review insurance proceeds. | | | N/A |  |
| 5. | If death benefit paid — sight death certificate. | | | N/A |  |
| 6. | If terminal illness benefit: | | | N/A |  |
|  | (a) | | sight 2 doctors’ certificates statin life expectancy less thean 12 months; | N/A |  |
|  | (b) | | sight certificate obtained 90 days after payment; | N/A |  |
|  | (c) | | ensure relevant cashing restrictions were met. | N/A |  |
| 7. | If pension paid, ensure: | | | N/A |  |
|  | (a) | check RBL reporting done to establish pension; | | N/A |  |
|  | (b) | check fund registered for PAYG; | | N/A |  |
|  | (c) | check actuarial certificate obtained (if required); | | N/A |  |
|  | (d) | check pension paid between minimum/maximum amounts (if A.P.); and | | N/A |  |
|  | (e) | check tax calculation of fund excludes exempt pension income. | | N/A |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  |  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | |  | | |  | | |  | |  | |
|  | **General Administration Expenses** | | Yes | |  | |
|  | |  | | --- | | *Assertions* | | *Account Transactions* | | | Occurrence – risk that recorded transactions have not occurred | | | Completeness – risk that all transactions have not been recorded | | | Accuracy – risk that transactions have not been recorded accurately | | | Cut off- risk that transactions have not been recorded in the correct period | | | *Account balance* | | | Rights and obligations - risk that the expense is not an expense of the fund | | | Valuation - risk that the expense is not recorded at an appropriate value | | | Disclosure - risk that the expense is not appropriately disclosed | | | | Yes | |  | |
|  | *Work program* | |
| 1. | Obtain listing of all administration expenses and vouch sample to supporting documentation. | | Yes | |  | |
| 2. | Ensure any expenses are in accordance with relevant agreements and contracts. | | Yes | |  | |
| 3. | Ensure expenses appear reasonable compared with prior year. | | Yes | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***General administration expenses have been recorded correctly and***  ***agrees to source documents.*** | | | | Yes | |  | |
|  |  | |  | |  | |
|  | |  | | --- | | **Taxation** *Assertions* | | *Account Transactions* | | | Occurrence – risk that recorded transactions have not occurred | | | Completeness – risk that all transactions have not been recorded | | | Accuracy – risk that transactions have not been recorded accurately | | | Cut off- risk that transactions have not been recorded in the correct period | | | *Account balance* | | | Rights and obligations - risk that the expense is not an expense of the fund | | | Valuation - risk that the expense is not recorded at an appropriate value | | | Disclosure - risk that the expense is not appropriately disclosed | | | | Yes | |  | |
|  | *Work program* | | Yes | |  | |
| 1. | Obtain the tax return. Ensure balances appear reasonable | | Yes | |  | |
| 2. | Review whether investments result in special income | | N/A | |  | |
| 3. | Review to determine whether there are any excess contributions taxes | | N/A | |  | |
| 4. | Ensure the Deferred tax assets / liabilities appear reasonable | | N/A | |  | |
|  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***No Material Variances, tax asset/liability has been made correctly***. | | | | Yes | |  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** |  |  | | **Done** | | **Ref** | |
|  | **Members’ Account Balances/Vested Balances** | | Yes | |  | |
|  | |  | | --- | | *Assertions* | | *Account Transactions* | | | Occurrence – risk that recorded transactions have not occurred | | | Completeness – risk that all transactions have not been recorded | | | Accuracy – risk that transactions have not been recorded accurately | | | Cut off- risk that transactions have not been recorded in the correct period | | | Classification – risk that transactions have not been recorded in the correct sub account or members account | | | *Account balance* | | | Existence – risk that members interest had been paid out and no longer exists | | | Rights and obligations - risk that the member is not a member of the fund | | | Valuation - risk that the members balance is not recorded at an appropriate value | | | Disclosure - risk that the members balance is not appropriately disclosed | | | |  | |  | |
|  | Valuation – risk that expenses are understated | |  | |  | |
|  | Disclosure – risk that expenses are not appropriately disclosed | |  | |  | |
|  | *Work program* | |  | |  | |
| 1. | Obtain listing of all members’ account balances. | | Yes | |  | |
| 2. | Select a sample of members: | | Yes | |  | |
|  | (a) | to ensure opening balance is correct and all calculations are accurate; | Yes | |  | |
|  | (b) | to confirm vesting in accordance with regulations and trust deed; | Yes | |  | |
|  | (c) | to ensure members’ benefits statement contains prescribed details (if sent); and | Yes | |  | |
|  | (d) | to ensure tax free component is tracked. | Yes | |  | |
|  |  | |  |  |  | | --- | --- | --- | | *Analytical Review* |  | | | *Conclusion* |  | | | ***We have member statement stating taxable and tax –free***  ***Components of member balance as of 30 June 2020.*** | | | Yes | |  | |

**SHAREHOLDING CONFIRMATION – *Notice of rates to verify ownership of property***

|  |  |  |  |
| --- | --- | --- | --- |
| Share type: |  |  |  |
| Holder number: |  |  |  |
| Registry: |  |  |  |
| Phone number: |  |  |  |
| Date: |  |  |  |
| Spoke to: |  |  |  |
| Current holding: |  |  |  |
| Confirmed holding in name of S/Fund |  |  |  |

**COMPLIANCE AUDIT PROGRAM**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SIS Ref** |  |  | **N/A** | **Yes** | **No** | **Comments** |
|  | **Planning** | |  |  |  |  |
| s 17A | Does the fund meet the definition of being a ‘self managed superannuation fund’. | |  | X |  |  |
| s 19 | Has the fund elected to be a ‘regulated fund’ with the Tax Office (check on the Tax Office website)? | |  |  | X |  |
| s 106 | Has the trustee informed the Tax Office of any significant or adverse events within three days of the event occurring? | | X |  |  |  |
| s 103, s 35A | Trustees must be aware that they must keep minutes of meetings of the trustees for 10 years (accounting records — five years). | |  | X |  |  |
| s 121 | Disqualified persons can not be trustees. | |  | X |  | - |
|  |  | Check statements signed and include in representation letter. |  | X |  |  |
|  | **Investments** | |  |  |  |  |
| s 62 | ***‘Sole purpose’ test*** | |  |  |  |  |
|  | Ensure that the fund is maintained for the ‘sole purpose’ of providing benefits to fund members upon retirement, or to dependants in the case of the member’s death before retirement. | |  | X |  |  |
|  | Consider: | |  | X |  |  |
|  |  | the trust deed (established for ‘sole purpose’ as above); |  | X |  |  |
|  |  | preserved benefits only paid out if a condition of release is met; | X |  |  |  |
|  |  | review all investments; |  | X |  |  |
|  |  | investments not provide financial assistance to an RP; |  | X |  |  |
|  |  | fund is not running a business; and |  | X |  |  |
|  |  | assets not for private use of an RP. |  | X |  |  |
| s 52(2)(d) | Are the assets of the fund held separate from assets held by the trustees personally? | |  | X |  |  |
|  | Check assets held in the name of the fund. | |  | X |  |  |
| s 52(2)(e) | Have trustees not entered into any contract, or done anything else, that would prevent the trustee from, or hinder the trustee in, properly performing or exercising their functions and powers. | |  | X |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SIS Ref** |  |  | **N/A** | **Yes** | **No** | **Comments** |
|  | **Investments** *— continued* | |  |  |  |  |
|  | ***Financial assistance/loaning money to member*** | |  |  |  |  |
| s 65 | Has the trustee ensured that no money has been lent or any other financial assistance given to a member or relative of a member? | |  | X |  |  |
|  | ***Arm’s length*** | |  |  |  |  |
| s 109 | Were investments made on an arm’s length basis? (must deal at arm’s length) | |  | X |  |  |
|  | ***Purchase of assets from members*** | |  |  |  |  |
| s 66 | Did the fund purchase any assets from members or their relatives (or a related party of the fund)? | |  |  | X |  |
|  | What asset was purchased? | | X |  |  |  |
|  | If yes, has the requirement of s 66 been adhered to? (business real property/listed shares) | | X |  |  |  |
|  | ***Borrowings*** | |  |  |  |  |
| s 67 | Did the Fund carry any borrowings during the year? | |  |  | X |  |
|  | Was the borrowing for the purpose of covering settlement of securities transactions as listed in S.67(3)(a) (not exceeding 7 days and 10% of the value of the fund assets).  NOTE: at the time the relevant investment decision was made, it must have been likely the borrowing would not be needed (cannot deliberately use this provision in order to make the investment purchase). | | X |  |  |  |
| s 67(2) | Was the borrowing for the purpose of benefit payments (not exceeding 90 days and 10% of the value of fund assets)? | | X |  |  |  |
| s 67(2A) | Was the borrowing for the purpose of paying surcharge or an advance instalment (not exceeding 90 days and 10% of the value of fund assets)? | | X |  |  |  |
| s 67(4A) | Was the borrowing for the purpose of acquiring an instalment warrant? If so - | | X |  |  |  |
|  | Did the fund undertake an instalment warrant transaction? | | X |  |  |  |
|  | Does the Trust Deed allow for the fund to borrow? | | X |  |  |  |
|  | Has a fixed trust (bare trust) been created for the asset? | | X |  |  |  |
|  | Does the bare trust have a different trustee to the fund (not compulsory but recommended)? | | X |  |  |  |
|  | Was a declaration of trust prepared when the asset was acquired? | | X |  |  |  |
|  | Was the declaration of trust stamped when the asset was acquired by the fund after the loan was repaid  (NOTE: stamping may not be required in all states). | | X |  |  |  |
|  | Is there a loan agreement in place between the lender and the fund?  (NOTE: the lender can be a related party of the fund). | | X |  |  |  |
|  | Ensure that the loan agreement is on normal commercial terms, particularly if the lender is a related party of the fund | | X |  |  |  |
|  | Have trustee minutes been put into place acknowledging that the instalment warrant conditions have been complied with? | | X |  |  |  |
|  | Is the asset acquired under the instalment warrant arrangement a permitted asset that the fund is able to acquire? | | X |  |  |  |
|  | Has the Trustee considered the Fund’s investment strategy, the prudence test and the sole purpose test with regards to the asset (i.e. has the Trustee considered whether the Fund can service the debt, capital gains, stamp duty, liquidity, etc)? | | X |  |  |  |
|  | \* Did the fund have borrowings at 11/6/86 (private sector funds) / 1/7/90 (public sector funds)? (S.67(5) & S.67(6)). Was this borrowing repaid by 30/6/95 / 30/6/00? | | X |  |  |  |
|  | ***In-house assets (IHAs)*** | |  |  |  |  |
| s 84 | Have trustees complied with IHA rules? | |  | X |  |  |
| s 85 | No person has entered a scheme to artificially reduce the MV of the fund’s IHAs. | |  | X |  |  |
| s 69-71E,  s 73-75,  s 80 | Trustees must not make a loan to, invest in, or lease fund assets to a related party of the fund that causes the total IHAs ratio to exceed specified limits. | |  | X |  |  |
|  | If the limit has been exceeded, is this allowed under the transitional rules found in section 71A, 71B, 71C, 71D or 71E. | | X |  |  |  |
| s 80A | Different IHA rules apply to defined benefit funds. | | X |  |  |  |
| s 81 | The market value ratio must not exceed 10% (re 1999/2000 audit). | | X |  |  |  |
| s 82 | If IHAs exceed 5% of the market value of assets at 30 June 2001 or later then trustees must prepare a written plan to ensure IHAs are below 5% by the end of the following year. | | X |  |  |  |
|  | ***Investment strategy*** | |  |  |  |  |
| Reg 4.09 | Ensure that trustee(s) have prepared an investment strategy that considers: | |  | X |  |  |
|  |  | risk; |  | X |  |  |
|  |  | diversification; and |  | X |  |  |
|  |  | liquidity (including the payment of benefits). |  | X |  |  |
|  | Review the fund’s investments to ensure that the strategy is consistent with the assets held. | |  | X |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **SIS Ref** |  |  | | | **N/A** | **Yes** | | | **No** | **Comments** |
|  | ***Liens security*** | | | |  |  | | |  |  |
| Reg 13.12 | Has the trustee **not** acted on or in any way encouraged an assignment of a superannuation interest of a member or beneficiary. | | | |  | X | | |  |  |
| Reg 13.13 | Has the trustee **not** recognised a charge over any members benefits. | | | |  | X | | |  |  |
| Reg 13.14 | Has the trustee **not** used fund assets for the purpose of security (exceptions for certain derivatives)? | | | |  | X | | |  |  |
|  |  | | | |  |  | | |  |  |
| **SIS Ref** |  |  | | | **N/A** | **Yes** | | | **No** | **Comments** |
|  | **Minimum Benefit to be Maintained** | | | |  | X | | |  |  |
| Reg 5.08 | Have minimum benefits been maintained? | | | |  | X | | |  |  |
|  | Accumulation Funds = the sum of: | | | |  | X | | |  |  |
|  |  | members’ financed benefits; | | |  | X | | |  |  |
|  |  | members’ employer financed benefits; and | | |  | X | | |  |  |
|  |  | earnings on all benefits. | | |  | X | | |  |  |
|  |  | | | |  |  | | |  |  |
|  |  | Member’s name | Date of birth | Age as at  30 June 2020 | | |  |  |  |  |
|  | 1. | Charles | 16/09/1963 | 56 | | |  |  |  |  |
|  |  |  |  |  | | |  |  |  |  |
|  |  |  |  |  | | |  |  |  |  |
|  |  |  |  |  | | |  |  |  |  |
|  |  | | | |  |  | | |  |  |
| Reg 6.17 | Benefits can only be paid in cash or rolled over. If paid in cash must meet preservation rules (Division 6.3). | | | |  |  | | |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SIS Ref** |  |  | **N/A** | **Yes** | **No** | **Comments** |
|  | **Acceptance of Contributions** | |  | X |  |  |
| Reg 7.04 | If contributions were received, was SIS followed: | |  | X |  |  |
|  | If the member is under 65, accept if: | |  | X |  |  |
|  |  | contributions made are for the relevant period. |  | X |  |  |
|  | If the member is 65 – 74, only accept if: | |  |  |  |  |
|  |  | they are mandated employer contributions; or | X |  |  |  |
|  |  | employer or member contributions and the member is employed part-time (i.e. for at least 40 hours in a continuous 30 day period), then can contribute for the whole year. | X |  |  |  |
|  |  | Note for a person turning 75 within the period, the contribution must be made within 28 days of the member turning 75. | X |  |  |  |
|  | If the member is 75 or over, only accept if: | | X |  |  |  |
|  |  | they are mandated employer contributions. | X |  |  |  |
|  |  | Are non-concessional contributions under the relevant contribution cap. If not were these returned to the member. | X |  |  |  |
|  | **Note:** Individuals under 18 must satisfy a work test before contributions can be made. | | X |  |  |  |
|  | **Accounts** | |  |  |  |  |
| s 35B | Accounts must be prepared in an AAS 25 format unless non-reporting guidelines are adhered to but must produce a statement of financial position and operating statement. | |  | X |  |  |
| s 35C(1) | The Trustee must give the auditor any relevant document that the auditor has requested in writing within 14 days of the request. | |  | X |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SIS Ref** |  |  | **N/A** | **Yes** | **No** | **Comments** |
|  | **If a Breach Has or May Occur** | |  |  |  |  |
| s 129 | Should you (as auditor of the fund) form an opinion that it is likely that a breach may occur, may have occurred or may be occurring then you must advise the trustee of such in writing. | | X |  |  |  |
|  | The auditor must also report breaches that affect (or may affect) a member’s or beneficiary’s, interests to the Tax Office in the prescribed format. | | X |  |  |  |
|  | If the fund’s financial position becomes, or may become, unsatisfactory then this has to be reported to the Tax Office in the prescribed format. | | X |  |  |  |
|  | **Other Sections of SIS** | |  |  |  |  |
|  | Is there evidence of breaches of other sections of the SIS legislation (that program does not cover)? | |  |  | X |  |
|  | **Conclusion** | |  |  |  |  |
|  | Brief note on your findings. Can any improvements be made? Can the audit be signed off? | |  | X |  |  |